

BOARD OF COUNTY COMMISSIONERS  
FOR SOMERSET COUNTY  
NOVEMBER 8, 2011

At 2:00 P.M., the Board of County Commissioners for Somerset County met in regular session with Commissioner Vice-President Charles F. Fisher, Commissioner Craig N. Mathies Sr., Commissioner Jerry S. Boston and Commissioner Randy Laird. (President Simpkins was absent for the meeting)

Also present was Ralph D. Taylor, County Administrator-Clerk, and Cynthia R. Ward, Executive Aide.

Vice-President Fisher called the meeting to order. Commissioner Mathies led those in attendance in the Lord's Prayer and the Pledge of Allegiance.

Upon motion made by Commissioner Mathies, seconded by Commissioner Boston, it was carried 3-0 to approve the Minutes of the meeting held Tuesday, October 25, 2011.

Commissioner Vice-President Fisher opened sealed bids for the purchase of lights for the athletic field at the County's Centralized Recreational Facility in Westover. Only one bid was received:

<u>Bidder</u>	<u>Bid Amount</u>
I. Musco Lighting	\$110,000

Mr. Paige Hurley, Recreation Director, was present for the bid opening. Mr. Hurley recommended Musco Lighting be awarded the bid for the purchase of the lights. He also reminded the Board that the lighting cost will be reimbursed through Program Open Space funding. The lights will be installed by county personnel.

A motion was made by Commissioner Laird, seconded by Commissioner Boston, to award the bid to Musco Lighting. The motion carried 3-0.

At this time, Mr. Taylor reviewed correspondence and discussion items with the Board.

A request was received from the Town of Princess Anne for a letter of support from the County Commissioners for their efforts to obtain "Sustainable Communities" designation. This designation will allow them to seek funding for future phases of their revitalization plans.

A motion was made by Commissioner Boston, seconded by Commissioner Mathies, to authorize President Simpkins to sign a letter of support for the Town of Princess Anne. The motion carried 3-0.

The Board was presented with three requests for Proclamations:

1. Pancreatic Cancer Awareness Month (November 2011)
2. National Hospice/Palliative Care Month (November 2011)
3. Dave Rivello (Retirement)

A motion was made by Commissioner Laird, seconded by Commissioner Boston, to approve the requests for proclamations, as presented. The motion carried 3-0.

Mr. Taylor reported on a request received from the Somerset County Humane Society for a letter of support from the County Commissioners to assist them with their application for funding through PetSmart and other funding sources.

A motion was made by Commissioner Mathies, seconded by Commissioner Laird, to authorize Commissioner Vice-President Fisher to sign the letter of support for the Somerset County Humane Society. The motion carried 3-0.

Mr. Taylor advised the Board of a tentative date set for the Wenona Harbor ribbon cutting, scheduled for November 21, 2011 at 10:00 a.m.

The Board was presented with a TEFAP (The Emergency Food Assistance Program) Modification Form for approval and signature. The program modification allows an additional \$3,000 in funding to be secured for food assistance and dispersed by Shore Up! Inc., the County's designated food pantry.

A motion was made by Commissioner Boston, seconded by Commissioner Laird, to authorize Vice-President Fisher to sign the TEFAP Modification Form. The motion carried 3-0.

The Board was also presented with the FY2012 Rental Allowance Program (RAP) Local Program Application and Grant Agreement. The funding allocation, \$40,000, will be used to assist homeless citizens and/or those residents facing emergency or critical housing situations.

A motion was made by Commissioner Boston, seconded by Commissioner Laird, to authorize President Simpkins to sign the FY2012 Rental Allowance Program (RAP) Application and Grant Agreement. The motion carried 3-0.

A discussion was held regarding the adoption of Ordinance No. 1034, an Ordinance that amends Zoning Ordinance No. 741 to include the provision for Small Wind Energy. A public

hearing was held February 16, 2010 in which public testimony was received by the previous Board of County Commissioners. After review by the Board and County Attorney, followed by minor changes, the proposed ordinance to permit the use of small wind energy was approved on March 16, 2010. However, the final version was never signed and recorded. Due to the extended time period, the County Attorney was asked to review the document once again before signature and recordation.

Upon motion made by Commissioner Laird, seconded by Commissioner Boston, it was carried 3-0 to adopt Ordinance No. 1034 as presented.

Mr. Taylor advised of the need to select a board member to serve as the County's representative on MACo's Legislative Committee for the upcoming General Assembly session. The Board will consider the appointment and take action at the next meeting.

Ms. Susanna Henson, Executive Director of the Somerset County Local Management Board, was now before the Board to present the FY2012 Community Partnership Agreement for approval and signature. The purpose of the Agreement is to establish a comprehensive, integrated children and family interagency service delivery system that is community-based, family focused and culturally competent. This Agreement is based on a shared vision and a joint commitment by the Children's Cabinet and the LMB to advance a results-based accountability and management system that enhances child and family well-being. Ms. Henson stated that the funding is the same, just in a different structure. The Voyager program funding has reverted to After School programs. The Agreement has been reviewed by the County Attorney.

A motion was made by Commissioner Laird, seconded by Commissioner Boston, to authorize Commissioner Vice-President Fisher to sign the FY2012 Community Partnership Agreement. The motion carried 3-0. Commissioner Mathies abstained due to his membership on the Local Management Board.

Mr. Taylor reported that frozen food still remains in storage at Washington High School from Hurricane Irene. Due to the content of peanut butter and the health risks associated with children's allergies, the food cannot be used within the school system. After a brief discussion, the Board agreed to donate the food to the Seton Center and the MAC Center.

The Board was reminded that Maryland Department of Transportation Officials will be present to discuss their Consolidated Transportation Program on November 15, 2011. A letter will be drafted to include the following priorities:

1. Resurfacing of Northbound U.S. Route 13, between Rt. 362 and Rt. 363.
2. Resurfacing of Northbound lane on Pocomoke River Bridge.
3. Acceleration lane at Jones Road and U.S. Route 13.
4. Acceleration lane at Tulls Corner Road and Route 413.
5. Flooding on Hall Highway near the bridge on high tide.
6. Railroad crossings countywide are rough.

At this time, Mr. Danny Thompson, Director of Somerset County Economic Development, gave a brief introduction to Chesapeake Utilities Representatives and their presentation today. Mr. Thompson spoke on business opportunities in the past, that were lost due to the County's inability to offer natural gas. A meeting was held recently with business representative, Fred Lankford (Sysco); education officials from the University of Maryland Eastern Shore, and local farmer, Kevin Anderson to discuss the potential benefits of natural gas and to move forward with a presentation with Chesapeake Utilities, for information purposes only. At this time, Mr. Thompson introduced Darrell K. Wilson, Director of Business Growth and Development; and Shane Brakie, Director of Natural Gas Energy Services for Chesapeake Utilities.

Chesapeake Utilities Corporation is headquartered in Dover, Delaware, and is a public company which offers stock trades on the New York Stock Exchange.

- 1) Objective - to help energy consumers by:
  - Increasing their energy options.
  - Providing safe and reliable delivery of gas to customers.
  - Helping the environmental impact (carbon footprint).
  - Reducing dependence on foreign sources of energy.
  - Providing the most cost effective fuel choice.
- 2) In order to develop natural gas infrastructure to serve new areas of Somerset County:
  - An interstate pipeline will be required to extend service.
  - Franchise Agreements will also be required.
- 3) Chesapeake has a strong commitment to safety:
  - Has received safety awards for seven consecutive years.
  - Safety training is provided to fire companies and first responders each year.
- 4) Business Structure and Transmission Infrastructure:
  - Served approximately 52,900 customers during 2010, with residential customers representing 90% of the total.
  - Served through two divisions: Maryland & Delaware
  - Distribution system is comprised of over 1,127 miles of main in Maryland and Delaware.
  - Service and rates regulated by the State Public Service Commissions.
- 5) Delmarva's Gas Footprint – Propane Presence vs. Natural Gas Presence
- 6) Benefits of Natural Gas on Delmarva –Residential:
  - Comparing the cost of natural gas and propane delivered to the home in 2010, natural gas residential customers saved approximately \$50.5 million; or about \$1,060 per customer.

The comparison assumed an average propane price of \$2.93 per gallon (or about \$8.05 per CCF of propane)

If Somerset County residential consumers costs are higher than \$2.93 per gallon, or \$8.05 per CCF of propane, their savings would have been higher.

Comparing the efficiency of natural gas delivered to the home to the next most efficient alternative energy source, we are reducing our residential customers overall energy usage.

Comparing the carbon footprint of natural gas delivered to the home to the next most environmentally friendly alternative energy source, we are providing a cleaner option to other readily available energy sources, including electricity.

7) Benefits of Natural Gas on Delmarva – Recent Commercial and Industrial Conversions:

Over the past two years, Chesapeake has converted several medium to large sized commercial and industrial customers that has lowered energy costs for the businesses as well as their carbon footprint.

These conversions to natural gas have displaced several million gallons of propane and fuel oil on Delmarva, enabled our customers to lower their carbon footprint, save millions of dollars and save and/or create jobs.

8) Applications for Natural Gas:

Heating, water heating, booster water heaters, cooking equipment, gas powered chillers, humidity control, power generation, snow melting systems, natural gas vehicles, combine heat and power.

9) Status of ESNG Pipeline Expansion:

Eastern Shore Natural Gas is currently negotiating agreements with three distributors that requested natural gas transportation service associated with the 2011 Delaware/Maryland Expansion Project. This includes: Chesapeake's Delaware Distribution Division, Chesapeake's Maryland Distribution Division; and Eastern Shore Gas.

Eastern Shore Natural Gas has completed the initial design of the new facilities and has selected a preferred route for the new pipeline – proposing to construct pipeline parallel to Route 113 continuing south from Millsboro.

Eastern Shore Natural Gas has identified the regulatory and governmental bodies that must grant authorizations for pipeline construction to be completed – Del DOT reviewing the route; MD SHA will review the route; and Federal Highway Administration approval needed.

10) Recent Expansions:

Town of Milton: 2005

Town of Georgetown: 2006

Town of Millsboro: 2006

Town of Harbeson (Allen's): 2010

Town of Hurlock (Amick Farms and B&G Foods): 2011

Town of Lewes: 2011

11) Recent New and Potential Franchise Agreements:

Cecil County, MD: 2011

Worcester County, MD: 2011

Lewes, DE: 2011

Frankford, DE: Under Discussion

Selbyville, DE: Under Discussion

Berlin, MD

Somerset County, MD

Princess Anne, MD

12) Path Forward:

Continue to gather information on key opportunities and add to our Somerset List.  
Update on current and potential businesses (potential key users of natural gas)  
Current businesses: ECI, UMES, Sysco, Poultry Industry, Asphalt plants,  
Industrial Park  
Chesapeake Renewable Energy; Walmart Distribution Center; Eastern Shore of  
Virginia

Subject to economics, re-evaluate any expansion south of Salisbury.  
Continue to present natural gas to builders and developers, architects and  
engineers, and other stakeholders.  
Secure a franchise agreement from Somerset County.

Dr. Ronald Forsythe, Vice President of Technology and Commercialization, University of Maryland Eastern Shore, stated that energy increases led to their pursuit of other energy sources, and they are now currently looking for ways to stabilize those costs.

Mr. Sam Parker, of Mountaire, welcomed natural gas at Millsboro and hoping to do the same at other locations soon. They have experienced over \$500,000 savings per year and are currently looking to expand the local facility when natural gas is available.

Mr. Thompson added that natural gas would also benefit Sysco and Northrop Grumman.

Commissioner Laird inquired about the possibility of piping natural gas to Crisfield. He was advised that it would need to be economically feasible but they would certainly like to make the venture a reality.

Commissioner Fisher inquired if they were ready to proceed with the Franchise. Mr. Wilson advised that further economic research is needed first.

Commissioner Laird also addressed concern for poultry growers that are competing with costs – natural gas vs. propane.

Commissioner Mathies inquired if it is feasible. Mr. Wilson believes that the potential is there – dependant upon the housing industry.

Currently, natural gas lines do not extend in a southerly direction beyond Fruitland. It costs approximately \$500,000 per mile to implement a natural gas pipeline.

From the audience, Mr. Dan Kuebler inquired about the savings of natural gas vs. propane; and stated that he believed Somerset County needs this option if we are going to compete with other areas for development. Mr. Kuebler went on state that in addition to natural gas, we need (wireless) broadband. Somerset County has very limited options for internet without the implementation of high speed.

With no further business, a motion was made by Commissioner Mathies, seconded by Commissioner Boston, to adjourn the meeting. The motion carried 3-0 and the meeting was adjourned at 3:30 p.m.

The amount drawn on the General Fund Checking Account for the week of November 8, 2011, from check no. 10002 through check no. 10038 was \$302,641.70

The amount drawn on the General Fund Checking Account for the week of November 15, 2011, from check no. 10042 through check no. 10072 was \$109,055.51

Respectfully Submitted:



Cynthia R. Ward  
Executive Aide

Approved By:



Board of County Commissioners  
For Somerset County